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By: **Prince George's County Delegation**  
Introduced and read first time: February 9, 2001  
Assigned to: Ways and Means

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 16, 2001

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Prince George's County - Transfer Tax**  
3 **PG 408-01**

4 FOR the purpose of altering the maximum rate for the Prince George's County  
5 transfer tax for ~~first time~~ certain Prince George's County ~~home buyers~~  
6 classroom teachers under certain circumstances; ~~altering the maximum rate for~~  
7 ~~the transfer tax in Prince George's County for the transfer of residential real~~  
8 ~~property on or after certain dates; providing for the termination of certain~~  
9 ~~provisions of this Act; providing for a delayed effective date for certain~~  
10 ~~provisions of this Act~~; and generally relating to the Prince George's County  
11 transfer tax.

12 BY repealing and reenacting, without amendments,  
13 The Public Local Laws of Prince George's County  
14 Section 10-187(a)(1)  
15 Article 17 - Public Local Laws of Maryland  
16 (1999 Edition, as amended)

17 BY repealing and reenacting, with amendments,  
18 The Public Local Laws of Prince George's County  
19 Section 10-187(b)  
20 Article 17 - Public Local Laws of Maryland  
21 (1999 Edition, as amended)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
23 MARYLAND, That the Laws of Maryland read as follows:

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**Article 17 - Prince George's County**

2 10-187.

3 (a) (1) Except as provided in Subsection (b) of this Section, the County  
 4 Council is authorized and empowered to impose a tax at a rate not to exceed 1.4% of  
 5 the actual consideration paid or to be paid under every instrument of writing  
 6 conveying title to real property, or any interest therein, in the County, offered for  
 7 record and recorded in the County. Conveyances to the State, any agency of the State,  
 8 or any political Subdivision of the State shall not be subject to the tax imposed under  
 9 this Section.

10 (b) (1) The Council may not impose a tax on the consideration represented  
 11 by the assumption of a mortgage or deed of trust on an instrument of writing  
 12 conveying title to real property between a husband and wife.

13 (2) The tax authorized under Subsection (a) of this Section does not  
 14 apply to a mortgage or deed of trust on property that is owned by a religious group if  
 15 the property is exempt from the property tax under Section 7-204 of the Tax -  
 16 Property Article of the Annotated Code of Maryland.

17 ~~(3) (F) IN THIS PARAGRAPH, "FIRST-TIME PRINCE GEORGE'S COUNTY~~  
 18 ~~HOME BUYER" MEANS AN INDIVIDUAL WHO HAS NEVER OWNED RESIDENTIAL REAL~~  
 19 ~~PROPERTY IN THE COUNTY THAT HAS BEEN THE INDIVIDUAL'S PRINCIPAL~~  
 20 ~~RESIDENCE.~~

21 ~~(H) (3)(I) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPHS (II),~~  
 22 ~~(III), AND (IV) OF THIS PARAGRAPH, FOR A SALE OF IMPROVED RESIDENTIAL REAL~~  
 23 ~~PROPERTY TO A FIRST-TIME PRINCE GEORGE'S COUNTY HOME BUYER CLASSROOM~~  
 24 ~~TEACHER WHO WILL OCCUPY THE RESIDENCE AS A PRINCIPAL RESIDENCE, THE~~  
 25 ~~RATE OF A THE TRANSFER TAX IMPOSED UNDER THIS SECTION MAY NOT EXCEED~~  
 26 ~~1.3% 1.0%.~~

27 ~~(H) (II) IF THERE ARE TWO OR MORE GRANTEES, THIS~~  
 28 ~~PARAGRAPH DOES NOT APPLY UNLESS EACH AT LEAST ONE GRANTEE IS A~~  
 29 ~~FIRST-TIME PRINCE GEORGE'S COUNTY HOME BUYER CLASSROOM TEACHER OR A~~  
 30 ~~COMAKER OR GUARANTOR OF A PURCHASE MONEY MORTGAGE OR PURCHASE~~  
 31 ~~MONEY DEED OF TRUST AS DEFINED IN § 12-108(D) OF THE TAX - PROPERTY ARTICLE~~  
 32 ~~OF THE ANNOTATED CODE OF MARYLAND, AND THE COMAKER OR GUARANTOR WILL~~  
 33 ~~NOT OCCUPY THE RESIDENCE AS THE COMAKER'S OR GUARANTOR'S PRINCIPAL~~  
 34 ~~RESIDENCE.~~

35 ~~(IV) (III) TO QUALIFY FOR THE RATE REDUCTION UNDER THIS~~  
 36 ~~PARAGRAPH, EACH AT LEAST ONE GRANTEE SHALL PROVIDE A STATEMENT THAT IS~~  
 37 ~~SIGNED UNDER OATH BY THE GRANTEE STATING THAT: OTHER THAN A COMAKER~~  
 38 ~~OR GUARANTOR, MUST:~~

39 1. OCCUPY THE RESIDENCE AS THE GRANTEE'S PRINCIPAL  
 40 RESIDENCE; AND

1 2. BE EMPLOYED AS A CLASSROOM TEACHER BY THE  
 2 PRINCE GEORGE'S COUNTY PUBLIC SCHOOL SYSTEM FOR A MINIMUM OF 3 YEARS  
 3 FOLLOWING THE PURCHASE OF THE RESIDENTIAL PROPERTY.

4 (IV) IF A CLASSROOM TEACHER WHO RECEIVES THE RATE  
 5 REDUCTION UNDER THIS PARAGRAPH DOES NOT SATISFY THE REQUIREMENTS OF  
 6 SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE CLASSROOM TEACHER SHALL PAY  
 7 THE BALANCE OF THE TRANSFER TAX THAT WOULD HAVE BEEN PAYABLE WITHOUT  
 8 THE RATE REDUCTION.

9 1. A. ~~THE GRANTEE IS AN INDIVIDUAL WHO HAS NEVER~~  
 10 ~~OWNED RESIDENTIAL REAL PROPERTY IN THE COUNTY THAT HAS BEEN THE~~  
 11 ~~INDIVIDUAL'S PRINCIPAL RESIDENCE; AND~~

12 B. ~~THE RESIDENCE WILL BE OCCUPIED BY THE GRANTEE AS~~  
 13 ~~THE GRANTEE'S PRINCIPAL RESIDENCE; OR~~

14 2. A. ~~THE GRANTEE IS A COMAKER OR GUARANTOR OF A~~  
 15 ~~PURCHASE MONEY MORTGAGE OR PURCHASE MONEY DEED OF TRUST FOR THE~~  
 16 ~~PROPERTY AS DEFINED IN § 12-108(f) OF THE TAX PROPERTY ARTICLE OF THE~~  
 17 ~~ANNOTATED CODE OF MARYLAND; AND~~

18 B. ~~THE GRANTEE WILL NOT OCCUPY THE RESIDENCE AS THE~~  
 19 ~~COMAKER'S OR GUARANTOR'S PRINCIPAL RESIDENCE.~~

20 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 21 read as follows:

22 **~~Article 17 – Prince George's County~~**

23 ~~10-187.~~

24 (a) (1) ~~Except as provided in Subsection (b) of this Section, the County~~  
 25 ~~Council is authorized and empowered to impose a tax at a rate not to exceed 1.4% of~~  
 26 ~~the actual consideration paid or to be paid under every instrument of writing~~  
 27 ~~conveying title to real property, or any interest therein, in the County, offered for~~  
 28 ~~record and recorded in the County. Conveyances to the State, any agency of the State,~~  
 29 ~~or any political Subdivision of the State shall not be subject to the tax imposed under~~  
 30 ~~this Section.~~

31 (b) (1) ~~The Council may not impose a tax on the consideration represented~~  
 32 ~~by the assumption of a mortgage or deed of trust on an instrument of writing~~  
 33 ~~conveying title to real property between a husband and wife.~~

34 (2) ~~The tax authorized under Subsection (a) of this Section does not~~  
 35 ~~apply to a mortgage or deed of trust on property that is owned by a religious group if~~  
 36 ~~the property is exempt from the property tax under Section 7-204 of the Tax-~~  
 37 ~~Property Article of the Annotated Code of Maryland.~~

1           (3)     ~~THE RATE OF A TRANSFER TAX IMPOSED UNDER THIS SECTION ON~~  
2 ~~THE TRANSFER OF RESIDENTIAL REAL PROPERTY MAY NOT EXCEED:~~

3                   (I)     ~~1.3% ON OR AFTER JULY 1, 2003;~~

4                   (II)    ~~1.2% ON OR AFTER JULY 1, 2004; AND~~

5                   (III)   ~~1.0% ON OR AFTER JULY 1, 2005.~~

6     ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall~~  
7 ~~take effect July 1, 2003.~~

8     ~~SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in~~  
9 ~~Section 3 of this Act, this Act shall take effect July 1, 2001. Section 1 of this Act shall~~  
10 ~~remain effective for a period of 2 years and, at the end of June 30, 2003, with no~~  
11 ~~further action required by the General Assembly, Section 1 of this Act shall be~~  
12 ~~abrogated and of no further force and effect this Act shall take effect July 1, 2001.~~